

Message Text

CONFIDENTIAL

PAGE 01 MILAN 00632 061746Z
ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 INR-05 CIAE-00
TRSE-00 DHA-02 L-01 /036 W
-----070150Z 087091 /73
R 061550Z APR 77
FM AMCONSUL MILAN
TO SECSTATE WASHDC 5336
INFO AMEMBASSY ROME

C O N F I D E N T I A L MILAN 0632

LIMDIS

E.O. 11652: GDS
TAGS: PFOR
SUBJECT: MILAN'S COMMUNIST DEPUTY MAYOR ON POLITICAL SITUATION

SUMMARY: DEPUTY MAYOR SAYS PCI DOES NOT SEEK ENTRY TO
GOVERNMENT AND NOT CRITICAL OF PRESIDENT CARTER'S EMPHASIS ON
HUMAN RIGHTS ISSUE.

1. DURING A CALL ON MILAN'S DEPUTY MAYOR
KORACH, PCI, APRIL 5, TO DISCUSS ACQUISITION OF PROPERTY FROM
CITY FOR NEW CONSULATE AND ENTREE FOR US FIRMS TO BID ON
MULTI-MILLION DOLLAR MILAN TRAFFIC CONTROL SYSTEM, I ASKED
HOW HE SAW POLITICAL SCENE.
2. KORACH, A CONSTRUCTION ENGINEER IN HIS LATE FIFTIES, MEMBER
OF THE CHAMBER AND ONE OF THE SOFT LINE LOMBARDY LEADERSHIP,
SPOKE EASILY ABOUT THE SITUATION.
3. THE PCI, HE SAID, WAS NOT IN TROUBLE WITH ITS OWN MEMBER-
SHIP OR PARTY ORGANIZATION. THE LEADERSHIP FELT THA IT HAD
THE PARTY ITSELF WELL IN HAND. THE PROBLEM CAME TO THE
PARTY'S LEFT. AGAIN, NOT SO MUCH WITH THE CGIL, WHERE THE PCI
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MILAN 00632 061746Z

WAS ENTIRELY CAPABLE OF KEEPING ANY FIRES UNDER CONTROL,
BUT WITH CISL AND UIL WHICH WERE CONSTANTLY TRYING TO
FLANK THE COMMUNISTS TO THE LEFT. AND THEN, THERE WAS THE
FARTHER LEFT WITHIN WHICH THE STUDENT MOVEMENT
APPEARED TO GRAVITATE A GOOD BIT OF THE TIME. THIS WAS
THE AREA OF PRINCIPAL CONCERN TO THE PARTY.

4. IT WAS NOT THAT PCI WAS IMPATIENT TO BE ADMITTED TO A GOVERNMENT AND TO HAVE MINISTERIAL POSITIONS. RATHER, THE MAIN REQUIREMENT AS FAR AS THE PCI WAS CONCERNED WAS THAT THE GOVERNMENT BE SUCCESSFUL IN SOLVING THE PROBLEMS THAT CAUSED THE TURMOIL ON THE FAR LEFT. THE REASON THAT THE PCI WAS HAVING SOME HEAVY GOING ON ITS LEFT WAS BECAUSE OF THE UNEMPLOYMENT SITUATION, THE DIFFICULTIES IN THE UNIVERSITIES AND THE GENERAL FAILURE OF THE GOVERNMENT TO LAY OUT AND TO CARRY OUT AN EFFECTIVE POLICY. SINCE THE COMMUNISTS PARTY WAS SUPPORTING ANDREOTTI GOVERNMENT TO CARRY OUT THESE POLICIES AND TO ACHIEVE CERTAIN MEASURABLE EFFECTS THAT WOULD BE BENEFICIAL TO VOTERS ON FAR LEFT, IT BECAME VULNERABLE WHEN THE ANDREOTTI GOVERNMENT FAILED TO DELIVER. THEREFORE, THE PRIME OBJECTIVE OF THE PARTY AT THE PRESENT TIME WAS TO PUSH, PULL, INDUCE, AND CAJOLE THE CHRISTIAN DEMOCRATS INTO ACCEPTING POLICIES THAT MADE SENSE FOR ITALY AND THEN ACTUALLY BRINGING THEM ABOUT.

5. ACCORDING TO KORACH, THERE WERE A NUMBER OF RATHER INEPT THINGS THAT THE ANDREOTTI GOVERNMENT HAD DONE. IT HAD ANNOUNCED AGREEMENT ON VARIOUS STEPS TO REDUCE PRODUCTION COSTS BEFORE THEY HAD BEEN ACCEPTED BY THE PARTIES THAT WOULD HAVE TO BEAR THE BURDEN. NOT ONLY WERE THEY ANNOUNCED BEFORE THEY WERE ACCEPTED, BUT THEY HAD BEEN ANNOUNCED BEFORE THEY WERE SO MUCH AS DISCUSSED WITH THE PARTIES PRINCIPALLY CONCERNED. THE RESULT WAS THAT THE ANDREOTTI GOVERNMENT WAS REPEATEDLY EMBARRASSED AND LOOKED AS IF IT DIDN'T KNOW WHAT IT WAS DOING. SIMILARLY, THE APPOINTMENT OF A MAN LIKE VENTRIGLIA TO HEAD THE BANK OF ISVEIMER WAS POOR POLITICS. HE WAS A MAN
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MILAN 00632 061746Z

CLOSELY ASSOCIATED WITH THE SINDONA ABUSES AND HIS APPOINTMENT SIMPLY PERPETUATED THE IMAGE OF A CHRISTIAN DEMOCRATIC PARTY THAT WASN'T CLEAN.

6. A POLICY WAS NEEDED TO REVIVE THE ECONOMY THROUGH GOVERNMENT COORDINATED INVESTMENT IN THOSE SECTORS THAT WOULD BENEFIT MOST BY IT. NOT NATIONALIZATION. ITALY HAD HAD ENOUGH OF THAT. BUT IT WAS CLEAR FROM THE EXAMPLE OF THE UNITED STATES THAT A CENTRAL GOVERNMENT WITH CONTROL OF MONETARY, FISCAL, AND BUDGETARY POWERS COULD HAVE A TREMENDOUS IMPACT UPON THE DIRECTION AND THE PACE OF ECONOMIC ACTIVITY. HE OFTEN WONDERED, HE SAID, WHETHER THE UNITED STATES WASN'T THE MOST SOCIALIST COUNTRY IN THE WORLD IN TERMS OF THE DE FACTO EFFECTIVENESS OF GOVERNMENT IN INFLUENCING THE ECONOMIC CYCLE. IT WAS IN THAT DIRECTION THAT ITALY SHOULD MOVE.

7. KORACH APPLAUDED THE POSITION OF THE NEW CARTER ADMINISTRATION. HE SAID THAT THE SOFT PEDALLING OF THE OUTCOME OF THE MOSCOW MEETINGS WAS A STEP IN THE RIGHT DIRECTION. THERE HAD BEEN

A TENDENCY TO OVERDRAMATIZE THIS LACK OF AGREEMENT BUT THE APPROACH BEING TAKEN BY PRESIDENT CARTER OF PUTTING THIS IN A LONGER TERM PERSPECTIVE MADE THE BEST SENSE. NOR WAS HE WORRIED ABOUT THE EMPHASIS THAT THE NEW ADMINISTRATION WAS PLACING ON HUMAN RIGHTS. THE APPROACH WOULD HAVE BEEN MORE EFFECTIVE, HE SAID, HAD THE FIRST FINGER POINTING TAKEN PLACE IN REGARD TO BRAZIL, CHILE OR OTHER COUNTRIES. NEVERTHELESS, IT WAS NOT AN EMBARRASSMENT FOR THE ITALIAN COMMUNIST PARTY. AS FAR AS IT WAS CONCERNED, THE OBSERVANCE OF THE HELSINKI AGREEMENTS WAS OF GREAT IMPORTANCE. HE WAS LESS INTERESTED IN DECLARATIONS OF POLICY THAN HE WAS IN CONCRETE OBSERVANCE OF THE SPIRIT OF HELSINKI. THUS, HE POINTED TO THE CURRENT DISPLAY IN MILAN OF AN ART EXHIBIT FROM LENINGRAD. THE VALUE OF THAT VISIT, HE SAID WAS THAT IT BROUGHT THE MAYOR OF LENINGRAD AND A NUMBER OF OTHER LOCAL SOVIET OFFICIALS OUT INTO THE WESTERN WORLD. THEY SAW FOR THE FIRST TIME WHAT A FREE SOCIETY COULD BE LIKE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 MILAN 00632 061746Z

AND HE HOPED, HE SAID, THAT SOME FRACTIONAL CHANGE MIGHT HAVE TAKEN PLACE IN THEIR UNDERSTANDING. IF THAT WERE THE CASE, IT HAD BEEN WORTHWHILE. AND THE VISIT HAD BEEN MADE POSSIBLE, HE SAID, BECAUSE THE HELSINKI AGREEMENTS HAD HAD THE EFFECT OF REDUCING THE INSURANCE RATES FOR SHIPPING THE COLLECTION TO A LEVEL THAT THE CITY COULD AFFORD TO PAY.

8. COMMENT: OUR RELATIONS WITH KORACH HAVE BEEN LIMITED TO NON- POLITICAL MATTERS IN THE PAST SO THAT WE CANNOT JUDGE THE AUTHORITY WITH WHICH HE ADDRESSES NATIONAL POLITICAL MATTERS. HOWEVER, AS THE RANKING PCI MEMBER IN CITY GOVERNMENT AND MEMBER OF CHAMBER, HE SHOULD BE KNOWLEDGEABLE. AS FAR AS NON- POLITICAL EXPERIENCE CONCERNED, HE HAS PREVIOUSLY BEEN ACCURATE, AND RELIABLE.FINA

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MAYOR, DIPLOMATIC DISCUSSIONS, COMMUNISTS, POLITICAL SITUATION, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 06-Apr-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MILAN00632
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770120-1063
Format: TEL
From: MILAN
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770482/aaaactsd.tel
Line Count: 153
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 391c54a9-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 11-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2882766
Secure: OPEN
Status: NATIVE
Subject: MILAN'S COMMUNIST DEPUTY MAYOR ON POLITICAL SITUATION SUMMARY: DEPUTY MAYOR SAYS PCI DOES NOT SEEK ENTRY TO GOVERNMENT AND NOT CRITICAL OF PRESIDENT CARTER'S
TAGS: PFOR, IT, US
To: STATE
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/391c54a9-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009